

**MINUTES OF MEETING
BAYSIDE IMPROVEMENT AND BAY CREEK
COMMUNITY DEVELOPMENT DISTRICTS**

A Joint Budget Workshop of the Boards of Supervisors of the Bayside Improvement Community Development District and Bay Creek Community Development District was held on **Friday, July 25, 2014 at 9:00 a.m.**, at the **Pelican Landing Community Center, 24501 Walden Center Drive, Bonita Springs, Florida 34134.**

For Bayside Improvement CDD:

Walter McCarthy	Chair
Marvin Hancock	Vice Chair
James Patterson	Assistant Secretary
John Crew (<i>via telephone</i>)	Assistant Secretary
Bernie Cramer	Assistant Secretary

For Bay Creek CDD:

Frederick McAuley	Chair
Nelson Glueck	Vice Chair
James Janek (<i>via telephone</i>)	Assistant Secretary
Robert Pritt (<i>via telephone</i>)	Assistant Secretary
Mary McVay	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Crismond	Assistant Regional Manager
Dan Cox	District Counsel
Howard Lowe	UOC Liaison
Mike Hendler	Longlake Village Board Member
Joyce Libby	Longlake Village Board Member
Melissa Hendler	Longlake Village Board Member
Residents	

FIRST ORDER OF BUSINESS

Call to Order

Mr. McCarthy called the workshop to order at 9:00 a.m.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

All present recited the Pledge of Allegiance.

THIRD ORDER OF BUSINESS

Roll Call

Mr. McCarthy asked the Supervisors to state their names. For Bay Creek Community Development District, Supervisors McVay, Glueck and McAuley were present, in person. Supervisors Janek and Pritt were attending via telephone. For Bayside Improvement Community Development District, Supervisors McCarthy, Hancock, Cramer and Patterson were present, in person. Supervisor Crew was attending via telephone.

Mr. McCarthy explained that no public input will be permitted at today’s workshop and no decisions will be made by the Board.

FOURTH ORDER OF BUSINESS

Continued Discussion: Fiscal Year 2014/2015 Joint Proposed Budget

Mr. Adams stated that the budget the Board Members have in front of them is a status quo budget, year over year, with minor increases. With regard to the “General Fund”, on Page 3, he noted that the assessment, outside of The Colony, increased slightly.

Mr. Adams referred to a handout developed for the purpose of increasing the level of landscape services, which have not been reviewed or increased in 12 to 15 years. He pointed out that the summary page contains the corresponding financial considerations.

Mr. Howard Lowe, UOC Liaison, indicated that residents were led to believe that public comments would be taken today; one of the Supervisors was aware that he wanted to speak and Staff downloaded pictures for his presentation.

Mr. McCarthy confirmed that public comments will be taken at the Regular Meeting, on Monday, July 28, and a public hearing will be held subsequent to that meeting.

After brief discussion, the Boards agreed to allow public comment.

- **Presentation by Mr. Howard Lowe Regarding Lakes C-1 and C-2, Longlake Village**
******This item was an addition to the agenda.******

Mr. Lowe introduced Mr. Mike Hendler, Ms. Joyce Libby and Ms. Melissa Hendler, members of the Longlake Village Board. Mr. Lowe advised that he will comment on the condition of Longlake Village Lakes C-1 and C-2. He stated that Mr. Adams, Ms. Crismond and Mr. Hancock visited the lakes, three weeks ago, and Mr. Lowe acknowledged Mr. Hancock’s advice with regard to improving the appearance of the lakes.

Mr. Lowe noted that Lakes C-1 and C-2 are the lowest in Pelican Landing, due, in part, to the impact of a nearby well that draws down water levels. He commented that the lakes look

terrible, for most of the year, because plantings were inadequate or do not survive. The residents feel that their lakes should be comparable, in appearance, to the other lakes in Pelican Landing. Mr. Lowe pointed out that Lake E-1, in Palm Colony, looks healthy, although its water levels also decreased.

Mr. Lowe stressed that residents are upset about “the eyesore the lakes have become” and the impact on the enjoyment of their homes and their property values.

Mr. Lowe stated that possible solutions were discussed with Mr. Adams, Ms. Crismond and Mr. Hancock, such as reducing or eliminating the use of the well that currently impacts their lake levels, once the new well comes on line. Another remedy is to install new plants, especially varieties that survive in both high and low water levels. Mr. Lowe pointed out that the District Engineer is performing a comprehensive analysis of solutions to high water levels. He asked the Board Members to direct the District Engineer to include, in his study, a way to route water from the large lake, at the main entrance, to Lakes C-1 and C-2, to restore them to “good looking, healthy lakes.” A suggestion was also made to install a staff gauge in Lakes C-1 and C-2, to enable residents to measure and record water levels, which will provide data, going forward.

Mr. Lowe indicated that the residents acknowledge that it will be a challenge to improve the lakes and that it may cost money, which is why the Longlake Village board members attended today’s Budget Workshop. Mr. Lowe reiterated the request that Lakes C-1 and C-2 be comparable to other lakes in Pelican Landing and that the Longlake Village residents and the board are committed to working with the CDDs to reach that goal.

Discussion returned to the proposed Fiscal Year 2015 budget.

Mr. McCarthy called attention to the “General Fund”, on Page 1, and asked for comments regarding revenues. Mr. Adams explained that the “Miscellaneous revenues” line item, in the amount of \$10,000, is the fee that Pelican Sound pays the Districts for street sweeping.

Mr. McCarthy noted that, at Monday’s meeting, he will ask to revisit the issue of the consolidation of the CDDs and request that this item be placed on a future meeting agenda.

With regard to “Expenditures”, “Engineering” will be increased to \$20,000, for a total of \$25,000.

Mr. McCarthy pointed out that the Districts spent \$17,850, this year and last year, for the audit. The Boards agreed to increase the line item to \$18,000.

Mr. Adams advised that “Management” encompasses the “Management”, “Telephone” and “Printing and binding” line items. He noted the proposed 2% increase in “Management”

fees. Mr. McCarthy asked if the agreement for management services must be renewed. Mr. Adams explained that it is a continuing services agreement, which outlined an initial fee schedule; increases are generally addressed as part of the budget, itself, which can be done in conjunction with an amendment, on the August agenda. The adopted budget establishes the fees and, subsequently, the Boards may approve an addendum.

Mr. Cramer stated that he reviewed the documentation and it is a requirement of the initial proposal to renew the District Management contract each year. Mr. Cramer indicated that he conveyed to Mr. Adams that the Board Members should review the scope of responsibility for his company, as it has grown proportionately, mainly in The Colony area. He felt that, when requesting raises, changes in the scope of responsibility should be defined. Mr. Cramer acknowledged that there was an increase in Management's scope of work but he wants it on record that the Boards reviewed the contracts and complied with the requests that were initially made.

Mr. Adams agreed to prepare an addendum to the agreement for consideration at the August meeting.

With regard to "Legal Notices and Communications", Mr. Adams confirmed that this line item relates to legal advertisements, as well as website maintenance and periodic newsletters. Mr. Cramer requested confirmation that the line item contained enough funds to use the newsletter to update residents on new and ongoing projects, as they are positive to the community and should be communicated directly to residents. Mr. Adams confirmed that the proposed amount is sufficient. Mr. Cramer recalled that he and Ms. McVay agreed to work together to communicate key items to the community.

It was noted that the "Insurance" line item increased by 5%. Under "Miscellaneous (bank fees)", Mr. Hancock asked which banks charge fees. Mr. Adams advised that it is SunTrust; however, all banks charge the fees because governmental accounts require a monthly analysis, which is an extra service.

Mr. McCarthy called attention to the \$8,862 budgeted for the "NPDES program" and the corresponding amount in the "Enterprise Fund" budget. Mr. Adams explained that this is a once per year billing. The majority of effort takes place in September, by Barraco and Associates, and the amount is tied to the allowable amount in the NPDES Program agreement.

Regarding "Other contractual services: Lakes (both)", Mr. Adams stated that the amount budgeted is based on the current operating amount; however, he is unsure how Dr. Thomas'

report will impact the activities and approach, from a management perspective. He advised that additional funding may be required from fund balance, depending upon the bids and revisions to the specs. Mr. Adams anticipated a requirement for additional hand work, less chemical impact and a recommendation for more aeration.

Ms. Crismond noted that two lakes were added. Discussion ensued regarding the acceptance those lakes.

Mr. Pritt inquired about reserving funds for potential muck removal. He asked whether the POA or the CDDs will be responsible for replacing infrastructure.

With regard to “Other contractual services: wetlands”, Mr. Adams recalled that separate line items were created, several years ago, for the Bayside Improvement and Bay Creek CDDs because the Boards hired separate contractors. The Districts now use the same contractor; therefore, he recommended combining both line items into one, for \$30,700. Mr. Adams pointed out that there is a “General Fund” portion and a corresponding difference in the “Enterprise Fund”.

Under “Other contractual services: testing/research (b)”, Mr. McCarthy indicated that is nothing was budgeted for this line item because the contract was completed in the current fiscal year. Mr. Patterson asked when the Board Members will receive Dr. Thomas’ report. Mr. Adams explained that much work remains with regard to statistics. At the August meeting, he anticipates discussion about the water management system and Dr. Thomas’ report.

In response to a question from Mr. McCarthy, Mr. Adams noted that the amount for “Other contractual services: culverts/drains” is \$20,000 and Management proposes maintaining that level. Mr. Adams explained that the priority items were addressed this year, for \$15,000 or \$16,000, and the next group of items identified by Sewer Viewer, in their initial review, will be addressed during Fiscal Year 2015, until all culverts and drains are cleaned.

Mr. Adams explained that the line item “Other contractual services: lake health” is related to reserving funds for localized demucking, referred to earlier by Mr. Pritt. Mr. Patterson pointed out that any unspent funds will roll into fund balance, which is the unspent funds that would be used for the project; therefore, it is not necessary to add funds to this line item, at this time. Each year, the reserve fund increases and provides additional funds, when necessary. Mr. McAuley likened the fund to an insurance policy for the future. Mr. Crew clarified that the reserve amount is actually \$25,000.

Discussion ensued regarding “Aquascaping”. Mr. McCarthy felt that the \$40,000 budgeted would provide funding for Dr. Thomas’ recommendations.

Mr. Hancock felt that more money should be spent on aquascaping. He voiced his opinion that a plan is necessary to identify when planting will occur, where the plants will be installed and the types of plantings. Mr. Hancock stressed the importance of aquascaping.

Mr. Adams recalled that the annual lake audit is performed in July or August and provides planting recommendations. A summary sheet may be devised using the information in the audit, identifying each lake by name, along with the quantities and types of plants.

Mr. Hancock questioned whether to increase the “Aquascaping” line item. Mr. Adams pointed out that a portion of the lakes were not constructed to support a large amount of beneficial plant life. Mr. Hancock proposed adding a joint \$10,000, bringing the total to \$50,000.

Mr. McCarthy questioned whether this is where the Boards should be addressing the issues related to Lakes C-1 and C-2 issues. Mr. Crew stated that he was not opposed to the increase; however, there is also a need to increase funds for landscaping. Mr. Crew explained that he does not want the Boards to focus on a particular lake because many of the lakes in the community have issues and the primary function of the lakes is stormwater management, not aesthetics.

Mr. McCarthy agreed with Mr. Crew’s comments but noted that littoral plants are required by the permit and their purpose is to mimic natural systems. He indicated that the littoral plants in Lakes C-1 and C-2 died, in part because the correct plants were not chosen. Those lakes require littoral plants and they are deficient, which also creates an aesthetic issue; it is the Districts’ responsibility to maintain them.

With regard to Lakes C-1 and C-2, Mr. Adams referred to a slide and pointed out the zone where, in another community, rather than planting, sod was installed. He explained that, as water levels recede, the lake maintenance company only maintains within the water’s edge. The remainder is mowed and will eventually become weeds but at least it is green versus brown. In the next lowest zone, Bacopa was installed, which is a ground cover that provides erosion control protection, and the remainder was filled in with spikerush. Mr. Adams recommended the same approach for the littoral zones in Lakes C-1 and C-2 but with Bahia grass. He suggested asking the association to have their landscaper mow as the water exposes the area down to the edge of the Bacopa.

Mr. Hancock asked to go on record saying that the appearance of the lakes is important to the property owners and this is an important consideration for the CDDs.

Mr. Adams felt that the focus should be on Lakes C-1 and C-2 because of their uniqueness.

Ms. McVay expressed her opinion that the lakes are not only for stormwater control; they are for aesthetics, otherwise, “why bother with algae”. She stressed that residents want the lakes to look good and concurred with Mr. Hancock.

Mr. Patterson pointed out that Lakes C-1 and C-2 have about 10’ of exposed bank and asked if it is possible to extend the grass. Mr. Adams clarified that he was proposing to extend the grass about 6’ and implement a 4’ collar of Bacopa, in addition to increasing the quantities of spikerush. He will schedule the project with Mr. Kucera, using funds from the current year budget.

Ms. McVay confirmed that the residents will be notified before the work begins.

Discussion returned to the “Aquascaping” line item. Mr. Adams expressed his disappointment with the expected level of service with regard to the lake bank weed program and stated that he conveyed his disappointment to LakeMasters. LakeMasters indicated that they will return to a selective treatment program, as opposed to a broadcast spray, which will give the existing beneficial population an opportunity to thrive and multiply.

Mr. Hancock reiterated his request to add a joint \$10,000, for aquascaping. The Boards agreed.

Ms. Crismond confirmed that the “Capital outlay” line item is for a new aeration system.

On Page 2, Mr. McCarthy reviewed the line items under “Street lighting”.

Mr. Hancock requested that Management present a finding, in the next few months, regarding implementation of LED lighting in the communities. Mr. Adams advised that a transition for the systems that are metered makes sense; however, the street lighting system is a tariff program and FPL has not developed a street lighting schedule for LED. He confirmed that savings would be recognized under “Repairs and maintenance” but the investment is significant and an electricity savings must be realized in order to receive a return on the investment.

Mr. Cramer pointed out that the halogen lights leading up to the gatehouses differ from the lights past the gatehouses.

Mr. Cramer advised that the Association board is researching options for additional communication, which may, in turn, lead to fiber optic cabling in certain areas. He felt that, if

the Districts were to research installing fiber optics and tearing up areas, they should work in concert with the HOA board, as they are all part of the same community.

Mr. Hancock asked Management to provide a proposal for installing LED lights on Pelican Landing Parkway. Mr. Adams stated that it would be futile.

Mr. McCarthy asked Staff to study the Pelican Landing Parkway area, from the gate to Pennyroyal, with respect to vegetation, particularly the trees. He pointed out that the light poles are much higher than anywhere else in Pelican Landing. Mr. McCarthy asked Management to investigate the possibility of removing vegetation, elevating the trees, determine whether the light fixtures are the right type for that area and improving both daytime and nighttime lighting.

Mr. Adams stated that, if the goal is to expose the streetlights, the trees can be trimmed. He pointed out that there is not a great deal of uplighting in the center median.

Mr. McCarthy indicated that the first step is to address the vegetation. Mr. Adams stated that Management will address the vegetation issue over the next few weeks. The discussion may be continued at the August meeting.

Mr. Hancock expressed his preference that all fixtures have the same type of lighting. He suggested replacing the existing fixtures with LED lights. Mr. Adams advised that he will ask the contractor to examine the lighting package because the problem is not with the bulbs.

Discussion returned to the proposed budget. Under "Landscape Services", Mr. McCarthy noted a 4% increase under "Supervisor". With regard to "Personnel services", Mr. McCarthy pointed out that this is the largest item in the budget.

Mr. Adams recalled issues, earlier in the year, with regard to retaining personnel, most of which resulted from a turnaround in the housing market and labor being a premium in that particular industry. He explained that, in order to remain competitive and attract new employees to fill the vacant positions, an adjustment was made to the entry level salary, which included an increase for anyone below the adjusted amount. Management chose to limit staff to 32 positions, to remain within budget and maintain the current level of service.

Mr. Adams reported that, prior to the June meeting, he was made aware of concerns regarding the level of service being provided by the Districts in the common areas, right-of-ways and areas being maintained, by agreement, for the PLCA. He referred to a handout entitled "Bayside/Bay Creek Districts Landscape Activities Plan", which he shared with Mr. Craig Schopf, PLCA Liaison, who, in turn, shared it with Ms. Martel, and they are very pleased with

the suggestions. Mr. Adams indicated that the adjustments are related to the frequency of certain seasonal activities and the monthly activities performed within the landscaping program.

Mr. Adams reviewed the categories in the handout and the frequency of activities for each. He pointed out that, currently, shrubs are trimmed three times per year, in April, August and November. The suggestion is to add an additional, significant trimming event in February.

Mr. Adams stated that the facilities are the focal points; the PLCA offices, tennis facility, Canoe Park, Central Park and Pennyroyal Park and, in those areas, the suggestion is for even greater frequency, adding a pruning program in June.

With regard to mulch, Mr. Adams stated that, from a funding perspective, the CDDs are programmed for full mulching and touchups. The suggestion is for two full mulchings, each year, throughout and, for the focal points, which will include the gates, three mulchings are proposed. He pointed out that a change to a more formal type of mulch is being suggested for the PLCA offices and the tennis facility.

Mr. Adams noted that the Districts currently have a biannual flower changeout program, in May and November, with additional funds for loss due to insects, a freeze or frost. Three full changeouts are being proposed. By adding a changeout in February or March, the seasonal residents will see two flower changes, which will have a positive impact.

Mr. Adams noted that shrub packages will be discussed at the July 28 meeting. A proposal will be provided to selectively “swap out” green shrubbery for colorful shrubbery, from the gatehouses into the community and to the first major intersection.

Mr. Adams discussed changing the turf packages at the three entry monuments, off of U.S. 41, from Floratam to Zoysia, which is a more formal golf course type of grass.

Mr. Adams indicated that additional personnel will be required. He referred to the line item for equipment, currently called “Rentals and leases”, and stated that, for the last few years, these funds were used to purchase equipment outright. By adding two additional mowers and an ATV to the program, the weekly mowing schedule can be shortened to three days, providing two full days for the entire crew to devote to the shaping/trimming program. Mr. Adams pointed out that this plan will not only increase personnel, it will increase the efficiency of the personnel. He explained that four new entry level positions will be added, at \$11 per hour, for a total of 36 positions. The total amount specifically for the four new positions would be \$96,000 per year, including taxes and benefits.

Mr. Patterson reported that plant replacement is not occurring at the North entrance, as there are many dead plants. Mr. Adams indicated that he and Ms. Crismond are touring the property with the field manager, on a regular basis. Mr. Adams felt that the issue was complacency and the new schedule should help keep the program on track.

Mr. Adams stated that "Mulch program" will be increased to \$65,000, to provide two full mulchings, at \$30,000 per event, plus minor touch up.

Mr. McCarthy asked how Mr. Adams arrived at the \$96,000 amount for "Personnel". Mr. Adams clarified that the amount should be \$144,000, for budgeting purposes.

Mr. McCarthy asked Mr. Adams to show the impact of the landscape services increase on the budget. Mr. Adams referred to Page 32, "Payroll Projections", and stated that the current amount of \$704,230, for "Personnel services", plus \$144,000, equals \$848,230. He indicated that the "Flower program" becomes \$75,000 and the "Mulch program" becomes \$65,000. The addition of \$144,000 for personnel, \$15,000 for mulch and \$25,000 for flowers totals \$184,000; \$184,000 multiplied by 1.04, for the collection discount, is \$191,360. \$191,360 divided by 4,563 units, which is the number of units participating in the landscape expense, equates to \$41.94, per unit.

Mr. McAuley inquired about the increase for "Common & Administration". Mr. Adams explained that the "Common & Administration" assessment and the "Full Assessment" will increase by \$42 for this program.

Mr. Hancock advised that pinestraw mulch is not in compliance with Pelican Landing's Design Review Committee (DRC) requirements. Mr. Adams confirmed that the PLCA Liaison mentioned nothing about the common areas and was happy that staff was looking at a more "formal" mulch for the high profile areas. Mr. Hancock indicated that he would like to ask the DRC. Ms. McVay stated that she will review the documents; her understanding is that pinestraw is what was planned.

Discussion returned to "Personnel services". Mr. McCarthy pointed out that the Districts were \$100,000 under budget last year and he found it difficult to consider such a large difference. He requested a spreadsheet with additional information for this item.

Ms. McVay asked if healthcare benefits were included in the budget. Mr. Adams replied affirmatively. Ms. McVay advised that, at the last PLCA meeting, it was noted that their healthcare rates were increasing 15% to 26%. She asked if those increases were incorporated in

the projections. Mr. McCarthy explained that the Districts have fewer than 50 employees and, therefore, are not affected by Obamacare.

Mr. McCarthy reviewed the line items under "Landscape services". Under "Capital outlay", Mr. McAuley noted that \$14,000 was spent, to date, and the budget is \$47,000. Mr. Adams explained that some equipment must be replaced; the remaining funds will be spent through the end of the fiscal year. Next year, two mowers and an ATV will be added.

With regard to "Fuel", Mr. Hancock indicated that there is an exemption for motor fuel taxes, for governments. He will research whether it is applicable in Florida.

Mr. McCarthy called attention to the "Horticulture dumpster" line item and questioned whether \$27,000 was too high. Mr. Adams suggested lowering it to \$22,000.

Mr. McCarthy noted that \$10,000 is budgeted for "Miscellaneous equipment" and only \$1,793 was spent to date. Mr. Adams recommended combining the "Minor operating equipment" and "Miscellaneous equipment" line items, at \$15,000.

Mr. Adams advised that the "Flower program" line item will increase from \$50,000 to \$75,000. Mr. McCarthy pointed out that \$38,000 was spent this fiscal year and \$34,000 was spent last fiscal year. He indicated that Mr. Adams increased the proposed budget from the base amount rather than the actual cost. Mr. Adams suggested increasing it to \$65,000, instead of \$75,000.

With regard to the "Mulch program", Mr. McCarthy indicated that \$34,150 was spent this fiscal year and \$47,000 was spent last fiscal year. Mr. Adams explained that he anticipated \$30,000 per event. It was agreed that \$65,000 was the correct number.

Discussion ensued regarding the "Plant replacement program". In response to a question from Mr. McAuley, Mr. Adams confirmed that funds for the South Gate were included in the projected amount of \$65,000. Mr. Patterson requested that Staff cease using cord grass. Mr. Adams discussed using muhly grass, which is more attractive and adds more color.

Mr. McCarthy questioned the increase for "Office operations". Mr. Adams will provide the detail for this line item.

Mr. McCarthy reviewed the "Roadway services" and "Parks and recreation" line items. There were no changes.

Mr. McCarthy commented that the budget amounts for "Property appraiser" and "Tax collector" are never correct. Mr. Adams explained that the numbers are affected by the

movement of units from off roll to on roll. Upon further discussion, the "Property appraiser" line item was changed to \$4,195.

Mr. Patterson pointed out that "Full Assessment" "Total Units" should be 4,165.51 rather than 4,159.71. Mr. Adams will confirm the numbers.

Mr. McCarthy requested the amount of the Fiscal Year 2015 proposed assessments, based on the numbers discussed today. Mr. Adams indicated that the "Common & Administration" assessment will be \$272.38 and the "Full Assessment" will be \$464.16, most of which is related to the landscaping upgrade.

Mr. Patterson noted that the numbers are substantially higher than those in the preliminary budget and asked what the requirements are for the final budget. Mr. Adams advised that, if the Boards agree with the numbers, they may formally approve them at Monday's meeting. He explained that the Districts are required to send a separate mailed notice to property owners advising of the assessment increase.

On Page 14, Mr. McCarthy reviewed the "General Fund 002" budget for The Colony. Under "Revenues", he noted that the proposed amount of interest on The Colony's fund balance is \$3,000; the year-to-date amount is \$341. Mr. Adams stated that the line item will be reduced to \$500.

Under "Landscape services", "Personnel services", Mr. McCarthy pointed out that the budget amount was calculated based on seven employees at \$9.27 per hour and, last year, the Districts spent \$288,000 on this item. Mr. Adams will revisit this line item for discussion at Monday's meeting.

With regard to "Insurance", Mr. Adams noted that the June financial statements reflect a charge of \$82; however, the Districts pay an annual premium. He suggested increasing the budgeted amount to \$11,000.

Regarding the "Flower program" line item, for \$12,000, Mr. Adams explained that the final flower changeout was performed and the year-to-date expenses were slightly above \$12,000. He recommended increasing the line item to \$13,000. Under "Mulch program", Mr. McCarthy pointed out that \$10,772 was spent last fiscal year and \$10,130 this fiscal year. Mr. Adams indicated that the line item will be reduced to \$13,000, which will offset increases in other areas.

Mr. McCarthy called attention to "Other contractual - tree trimming". He indicated that, based on this month's figures, \$14,430 was spent this year. Last year, the Districts spent

\$11,915. Mr. Adams confirmed that \$13,000 was spent through the end of March. He discussed the work performed at the Tuscany entrance and felt that \$7,500 may be too low, going forward, and suggested budgeting \$15,000 for tree trimming, for the next few years.

With regard to “Fountain services”, “Operating supplies”, Mr. McCarthy indicated that \$105,000 is proposed and \$93,000 was spent, year-to-date. Mr. Adams explained that this was due to motor and pump replacements. Mr. McCarthy pointed out that \$119,733 was budgeted last year. Mr. Adams suggested increasing to \$110,000. Mr. McCarthy felt that \$110,000 would be modest, in light of history.

With regard to assessments, Mr. Adams advised that, by using \$35,000 of fund balance, assessments would be about \$1 higher than the prior year. He suggested continuing to adjust fund balance to maintain the assessment level.

On Page 20, Mr. McCarthy indicated that irrigation revenues are slightly ahead, for both Districts. With regard to “OPERATING EXPENSES”, Mr. Adams noted that “Utility billing” was at 81%, through the end of June but should be at 75%. He proposed increasing the line item from \$23,000 to \$24,500. Mr. McCarthy stated that, last year, utility billing expenses were \$27,139. The Boards agreed to increase “Utility billing” to \$27,000.

Mr. Hancock questioned the \$60,000 budgeted for “Electricity”. He pointed out that the pumps were shut down, frequently, in the past few months, and he anticipated a savings, as a result. Mr. Adams stated that expenses are at 62%, year-to-date; however, the current month bill was not included on the monthly financial statements. Mr. McCarthy pointed out that \$56,000 was spent last year. Mr. Hancock concurred with the amount proposed.

Mr. McAuley asked if the new well was on line. Mr. Adams replied, “it was flowing yesterday”; however, the mechanics must be addressed. The pump must be sunk and the power and tie-ins must be completed.

Mr. McAuley asked if the well will affect Longlake Village. Mr. Adams explained that the well is about 800’ deep. The lakes in Longlake Village are affected by a surface water aquifer, which is the first 30’ to 40’ below ground; therefore, the well will have no influence on those lakes. The small wells on the edge, which draw from the 30’ depth, influence the ponds.

Mr. McAuley inquired about the work performed, this week, next to the pump station on Greenview. Mr. Adams stated that he did not receive a report about work being performed. Mr. McAuley advised that part of the street was dug up, on the side of the pump station. He asked Mr. Adams to follow up and provide an answer at Monday’s meeting.

In response to a question from Mr. McCarthy, Mr. Adams stated that the Fiscal Year 2015 proposed assessment for Enterprise Fund 401/451 will be \$60.53, without the use of fund balance.

FIFTH ORDER OF BUSINESS

UPCOMING MEETING DATES

- A. July 28, 2014 at 2:00 P.M.**
- B. August 25, 2014 at 2:00 P.M.**

The next meetings are scheduled for July 28 and August 25, 2014 at 2:00 p.m., at this location.

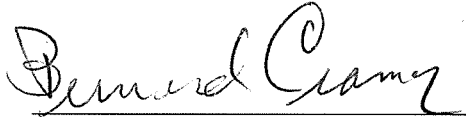
SIXTH ORDER OF BUSINESS

Adjournment

There being no further business to discuss, the workshop adjourned at 12:11 p.m.

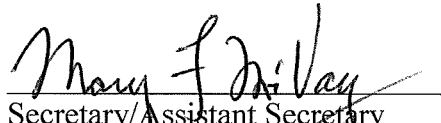
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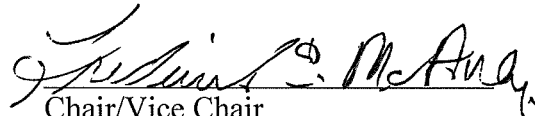
FOR BAYSIDE IMPROVEMENT:


Secretary/Assistant Secretary


Chair/Vice Chair

FOR BAY CREEK:


Secretary/Assistant Secretary


Chair/Vice Chair